



Department of Justice

FOR IMMEDIATE RELEASE
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AT
(202) 616-2771
TDD (202) 514-1888

CALIFORNIA TANNING PRODUCTS COMPANY SETTLES
ANTITRUST SUIT CHARGING IT WITH PRICE FIXING

WASHINGTON, D.C. -- California SunCare Inc., the largest U.S. manufacturer of indoor tanning products, agreed today to stop fixing the resale price of its products after the Department of Justice's Antitrust Division charged the practice eliminated competition among the company's distributors.

The case against the Los Angeles company which manufactures California Tan, is the first resale price maintenance case filed by the Department under the Clinton Administration and only the second such case brought by the Department in the last 12 years.

The Department simultaneously filed a civil antitrust suit and proposed consent decree to settle the case in U.S. District Court in Los Angeles. The proposal must be approved by the court.

According to the complaint, California SunCare conspired from November 1992 through April 1994 to fix and maintain the resale price of indoor tanning products at an amount set by the company.

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Anne K. Bingaman, Assistant Attorney General in charge of the Antitrust Division, said, "This case demonstrates the Antitrust Division's increased vigilance in investigating and prosecuting all violations of the antitrust laws, including resale price maintenance. As a result of this case, consumers of California SunCare's tanning products will not be victimized by illegal resale price maintenance."

The proposed consent decree, not only bars California SunCare from agreeing to fix resale prices for its tanning products, but also contains provisions that are remedial in nature. They prohibit the company from:

- Establishing a policy under which California SunCare will sell only to distributors that set their price at or above a suggested resale price.
- Creating a policy to terminate any distributor for pricing below a suggested resale price.
- Threatening to terminate or terminating a distributor for pricing below a suggested resale price.

The consent decree also requires California SunCare to:

- Institute a comprehensive antitrust compliance program.
- Submit annual written certifications regarding decree compliance throughout the 10-year decree.

The tanning products are specially formulated for use in indoor tanning salons. California SunCare sells its products through independently owned distributors which in turn resell

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them to tanning salons which then sell them to consumers.

This matter was handled by the Antitrust Division's Chicago field office. Public comment on the proposed decree is invited within the statutory 60-day comment period. Interested persons may address comments to Marvin N. Price Jr., Acting Chief, Chicago Field Office, U.S. Department of Justice, Antitrust Division, 209 South LaSalle Street, Suit 600, Chicago, Illinois, 60604 (telephone: 312/353-7530).

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